

**PROJECT INFORMATION DOCUMENT (PID)  
APPRAISAL STAGE**

Report No.: PIDA31769

<b>Project Name</b>	Real Estate Registration Project (P154561)
<b>Region</b>	EUROPE AND CENTRAL ASIA
<b>Country</b>	Tajikistan
<b>Sector(s)</b>	Central government administration (50%), General agriculture, fishing and forestry sector (30%), Information technology (20%)
<b>Theme(s)</b>	Land administration and management (80%), Personal and property rights (20%)
<b>Lending Instrument</b>	Investment Project Financing
<b>Project ID</b>	P154561
<b>Borrower(s)</b>	Republic of Tajikistan
<b>Implementing Agency</b>	SUERIP
<b>Environmental Category</b>	B-Partial Assessment
<b>Date PID Prepared/Updated</b>	17-Sep-2015
<b>Date PID Approved/Disclosed</b>	22-Sep-2015
<b>Estimated Date of Appraisal Completion</b>	05-Oct-2015
<b>Estimated Date of Board Approval</b>	21-Jan-2016
<b>Appraisal Review Decision (from Decision Note)</b>	The Country Director authorized the Team to proceed with Project appraisal.
<b>Other Decision</b>	The Country Director agreed that the Project Risk is Moderate. The Team will reflect the relevant comments from the decision meeting and the peer reviewers in the PAD and Results Framework, and revise the economic analysis as requested, following the appraisal mission (scheduled for the week of September 28, 2015).

## I. Project Context

### Country Context

Tajikistan's economic growth in the first half 2015 moderated to 6.4% from 6.7% a year earlier as activity slowed in almost all sectors. Weaker world economic growth and lower prices for cotton and aluminum adversely affected the major export-oriented industries, pushing total industrial growth below 3 percent from nearly 7 percent a year earlier. GDP growth is projected to ease to 6.5 percent in 2014 because of the spillover effect from the slowdown in Russia and in export sales. A Russian slowdown affects Tajikistan largely through the remittances channel and the return of migrant workers, adding to labor market supply. The value of remittance inflows in US dollars declined by almost 32 percent in the first seven months of 2015, as a result of Russia's recession,

depreciation of the Russian ruble (RUR), and lower outmigration.

With a population of 8.2 million and a GNI per capita of US\$990 (2013), Tajikistan is the poorest country in the ECA region. However poverty substantially declined between 1999 and 2012 (from 81 percent to about 36 percent); extreme poverty dropped even faster—from 73 percent to 14 percent during the same period; and growth benefits were widely shared - consumption by the bottom 40 percent grew faster than that of the population at large. Between 1999 and 2009, the period for which micro data are available, more than one million rural people were lifted out of poverty. While poverty dropped substantially nationwide, Khatlon and Gorno Badakshan Autonomous Oblast lagged, and remain the poorest regions. From a gender perspective, poverty reduction for women was lower than for men, thereby widening an already existing gender gap. To create shared prosperity and reduce extreme poverty, the country must re-orient fundamentally its current consumption-driven growth model, which is ultimately unsustainable. Fueled by the remittances of migrant workers, as well as higher wages in state-owned enterprises (SOEs), the service sector is expanding while the small industrial sector is contracting. Job creation is insufficient to absorb the youth bulge and wage growth has outpaced that of labor productivity. To meet the country's poverty goals and the World Bank's twin goals, it will be necessary to support the expansion of opportunities for private firms and poor and vulnerable groups, by strengthening the rule of law, securing property rights and reducing transactions costs for doing business, including for property transactions.

### **Sectoral and institutional Context**

The Bank has been active in the sector for more than a decade, beginning in 1999 with the Bank-financed Farm Privatization Support Project (FPSP) and continuing over the past decade with the Land Registration and Cadaster System for Sustainable Agriculture (LRCSP). With 4.6 million hectares of agricultural land and almost two thirds of the population living in rural areas and dependent on agriculture, land rights for farmers continue to be significant for reducing poverty and increasing shared prosperity. The LRCSP has financed farm restructuring focused on dividing larger collective farms into family-held parcels in order to enable more rural people to be independent farmers, and the LRCSP has regularized land use rights for families already farming on separate parcels but without official documentation. LRCSP has supported the issuance of inheritable land use rights certificates for over one hundred thousand families in rural areas, and some 40% of such certificates were issued to women.

The next step for the government is to allow these agricultural land use rights to become tradeable and thereby create a rural land market. To support such a land market a proper land registration system is needed. Increasing awareness of the registration system will also be a critical element for success. While all land in Tajikistan remains in state ownership, the rights to immovable property in urban and rural areas (houses, apartments) have been privatized. Until recently changes in ownership of houses and apartments were recorded by the Bureaus of Technical Inventory located throughout the country, however this system is only for control and inventory purposes and is not connected to the legal rights to property, nor is it connected to the cadastre which records the location of all parcels and buildings. To increase tenure security, legal ownership and use rights and location information must be brought together in one system. Tajikistan now continues its reforms of the real property sector with the establishment of the State Unitary Enterprise for Registration of Immovable Property (SUERIP) as the sole property registry and cadaster entity in the country, with the possibility to provide greater tenure security for all citizens of Tajikistan, as

well as foreign investors. SUERIP was created by the Law on State Registration in 2008, formally established by a resolution of the government dated March 2, 2013, but only established in fact on January 2, 2015. The President laid out a clear policy objective of simpler, streamlined registration systems across the country in his state of the nation address of 2013, and the establishment of SUERIP in one of the consequences of this decision. SUERIP has the mandate to register all immovable property (with proper location information in the cadastre) and has already absorbed the BTI offices as well as the cadastre function of the State Committee for Land Management and Cartography.

## II. Proposed Development Objectives

The development objective of the project is to support the implementation of a real estate registration system nationwide which is reliable, transparent and efficient.

## III. Project Description

### Component Name

Real Estate Registration System Development

### Comments (optional)

This component would support the establishment of a national real estate registration system and the institutional development of SUERIP. The component would include: physical infrastructure improvements, improving customer services and transparency, support to planning and institutional sustainability, support further development of policy and the regulatory framework for registration, and support training activities.

### Component Name

IT Development and Data Management

### Comments (optional)

This component would support the digitizing/conversion of paper documents into a central database and development of a basic IT system. The component would include activities such as: data conversion, data capture and incorporation into the new system (paper and digital), conversion of mortgage information (currently held by the Ministry of Justice) and incorporation into the new system, software development, IT hardware, and a web portal for professionals and the public.

### Component Name

Public Awareness and Education, Monitoring and Evaluation, Project Management

### Comments (optional)

This component would include: support to SUERIP to manage the project through financing a small PMU, monitoring and evaluation, and public awareness and education campaigns and outreach activities. Public awareness and education activities would explain registration services, requirements and benefits to the public as well as special groups (women, rural citizens, and elderly). Monitoring and evaluation would include gender disaggregated data on registration as is already collected for issuance of use rights certificates. Monitoring would also include a citizen engagement mechanism to collect feedback to track improvements in customer service and confidence in the system. The preparation will also consider the possibility to set-up a grievance redress mechanism for land registration.

## IV. Financing (*in USD Million*)

Total Project Cost:	10.00	Total Bank Financing:	10.00
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Financing Gap:	0.00	
<b>For Loans/Credits/Others</b>		<b>Amount</b>
BORROWER/RECIPIENT		0.00
International Development Association (IDA)		10.00
Total		10.00

## V. Implementation

The State Unitary Enterprise for Registration of Immovable Property (SUERIP) is the sole agency responsible for real property registration in Tajikistan and will implement all components of the Project. The State Committee on Land Management and Geodesy (SCLMG) is the authorized supervisory body for SUERIP and therefore the SCLMG would serve as the Steering Committee for the Project. SUERIP is now fully established and functioning as a real estate registration agency. In addition the legal framework is fully in place for registration with by-laws, procedures and manuals completed. SUERIP has all the necessary departments needed for implementation – legal, registration, cadaster, information technology, human resources, accounting, finance and monitoring, and archives. SUERIP is a decentralized institution in that the rayon level offices are independent, self-financing entities, however all funds and procurement would be managed centrally according to World Bank policies and procedures, though rayon level offices would be key beneficiaries.

For the purposes of Project implementation SUERIP would be supported by a small project implementation group (IG) located within SUERIP to provide specialized project management assistance, specifically financial management, procurement and monitoring and evaluation (M&E).

## VI. Safeguard Policies (including public consultation)

<b>Safeguard Policies Triggered by the Project</b>	<b>Yes</b>	<b>No</b>
Environmental Assessment OP/BP 4.01	x	
Natural Habitats OP/BP 4.04		x
Forests OP/BP 4.36		x
Pest Management OP 4.09		x
Physical Cultural Resources OP/BP 4.11	x	
Indigenous Peoples OP/BP 4.10		x
Involuntary Resettlement OP/BP 4.12		x
Safety of Dams OP/BP 4.37		x
Projects on International Waterways OP/BP 7.50		x
Projects in Disputed Areas OP/BP 7.60		x

**Comments (optional)**

## VII. Contact point

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